

GAS FLARING

October 3, 2018

Company	Wells Flaring over 100	Wells Flaring over 100 w/o Exception	Current Exceptions (over 100)	Exception Requests	Wells over 100 Hooked to Pipeline
Kraken	5	5	0	6	2
Petro-Hunt	3	3	0	2	0
Whiting	1	0	1	3	0
Totals	9	8	1	11	2

Flaring Requests

Summary

There are 9 wells flaring over 100 MCFG per day based on current production numbers.

4 of the 9 wells have approved exceptions due to distance, pipeline capacity issues, or time to connection.

There are 11 exceptions requested at this time.

Kraken – Approved for 6 months

Fred 15-22 #1H – API #25-085-21977, 27N-57E-11

1. Flaring 221 MCF/D.
2. Completed: 4/2018.
3. Estimated gas reserves: 515 MMCF.
4. Proximity to market: Connected to pipeline.
5. Flaring alternatives: None.
6. Amount of gas used in lease operations: 6 MCF/D.
7. Justification to flare: Contracted/connected with Hiland Partners Holding LLC, Kraken has had very limited success selling gas into the line due to sales line pressure.

Doris 10-3 #1H – API #25-085-21984, 27N-57E-11

1. Flaring 185 MCF/D.
2. Completed: 4/2018.
3. Estimated gas reserves: 471 MMCF.
4. Proximity to market: Connected to pipeline.
5. Flaring alternatives: None.
6. Amount of gas used in lease operations: 6 MCF/D.
7. Justification to flare: Contracted/connected with Hiland Partners Holding LLC, Kraken has had very limited success selling gas into the line due to sales line pressure.

Katie Rose 5-8 #1H – API #25-085-21991, 28N-59E-04

1. Flaring 375 MCF/D.
2. Completed: 5/2018.
3. Estimated gas reserves: 596 MMCF.
4. Proximity to market: Connected to pipeline.
5. Flaring alternatives: None.
6. Amount of gas used in lease operations: 6 MCF/D.
7. Justification to flare: Connected to pipeline in September, should be under flaring limit currently.

Danielle 4-9 #1H – API #25-085-21992, 28N-59E-04

1. Flaring 385 MCF/D.
2. Completed: 5/2018.

3. Estimated gas reserves: 639 MMCF.
4. Proximity to market: Connected to pipeline.
5. Flaring alternatives: None.
6. Amount of gas used in lease operations: 6 MCF/D.
7. Justification to flare: Connected to pipeline in September, should be under flaring limit currently.

Mayson Phoenix 17-20 #1H – API #25-083-23353, 25N-59E-07

1. Flaring 536 MCF/D.
2. Completed: 5/2018.
3. Estimated gas reserves: 815 MMCF.
4. Proximity to market: Connected to pipeline.
5. Flaring alternatives: None.
6. Amount of gas used in lease operations: 6 MCF/D.
7. Justification to flare: Connected to pipeline in June, Kraken has had very limited success selling gas into the line due to sales line pressure.

RKT Carda 7-6 #1H – API #25-083-23352, 25N-59E-07

1. Flaring 533 MCF/D.
2. Completed: 5/2018.
3. Estimated gas reserves: 801 MMCF.
4. Proximity to market: Connected to pipeline.
5. Flaring alternatives: None.
6. Amount of gas used in lease operations: 6 MCF/D.
7. Justification to flare: Connected to pipeline in June, Kraken has had very limited success selling gas into the line due to sales line pressure.

Petro-Hunt – Approved for 1 year

Borntrager 2C-2-1 – API #25-021-21193, 19N-54E-2

1. Flaring 116 MCF/D.
2. Completed: 9/2012.
3. Proximity to market: >25 miles pipeline.
4. Estimated gas price at market: ~\$2/MCF.
5. Estimated cost of marketing the gas: ~\$3.2 million.
6. Flaring alternatives: None.
7. Amount of gas used in lease operations: 25-30 MCF/D.
8. Justification to flare: Uneconomic to connect due to lack of infrastructure in the area.

Walter Senner 19-54 – API #25-021-21192, 19N-54E-18

1. Flaring 116 MCF/D.
2. Completed: 8/2012.
3. Proximity to market: >25 miles pipeline.
4. Estimated gas price at market: ~\$2/MCF.
5. Estimated cost of marketing the gas: ~\$3.2 million.

6. Flaring alternatives: None.
7. Amount of gas used in lease operations: 25-30 MCF/D.
8. Justification to flare: Uneconomic to connect due to lack of infrastructure in the area.

Whiting Oil & Gas – Approved for 6 months

Buxbaum 21-5-3H – API #25-083-23315, 24N-60E-5

1. Flaring 107 MCF/D.
2. Completed: 2/2015.
3. Estimated gas reserves: 798 MMCF.
4. Proximity to market: 11,000 ft to pipeline.
5. Estimated gas price at market: ~\$2.58/MCF.
6. Estimated cost of marketing the gas: ~\$250,000.
7. Flaring alternatives: None.
8. Amount of gas used in lease operations: 2 MCF/D.
9. Justification to flare: Insufficient compression capacity on Oneok's system in this area.

Malsam 14-18-3H – API #25-083-23265, 24N-60E-18

1. Flaring 84 MCF/D.
2. Completed: 1/2015.
3. Estimated gas reserves: 410 MMCF.
4. Proximity to market: 1,500 ft to pipeline.
5. Estimated gas price at market: ~\$2.58/MCF.
6. Estimated cost of marketing the gas: ~\$250,000.
7. Flaring alternatives: None.
8. Amount of gas used in lease operations: 2 MCF/D.
9. Justification to flare: Insufficient compression capacity on Oneok's system in this area.

Palmer 24-21-4H – API #25-083-23250, 26N-57E-21

1. Flaring 96 MCF/D.
2. Completed: 7/2014.
3. Estimated gas reserves: 574 MMCF.
4. Proximity to market: 16,400 ft to pipeline.
5. Estimated gas price at market: ~\$2.58/MCF.
6. Estimated cost of marketing the gas: ~\$2500,000.
7. Flaring alternatives: None.
8. Amount of gas used in lease operations: 2 MCF/D.
9. Justification to flare: Insufficient compression capacity on Oneok's system in this area.